

RCW 82.14B.040 Collection of tax. Subject to the enactment into law of the 2013 amendments to RCW 82.08.0289 in section 107, chapter 8, Laws of 2013 2nd sp. sess., the 2013 amendments to RCW 80.36.430 in section 108, chapter 8, Laws of 2013 2nd sp. sess., and the 2013 amendments to RCW 43.20A.725 in section 109, chapter 8, Laws of 2013 2nd sp. sess.:

(1) Except as provided otherwise in subsection (2) of this section:

(a) The state 911 excise tax and the county 911 excise tax on switched access lines must be collected from the subscriber by the local exchange company providing the switched access line.

(b) The state 911 excise tax and the county 911 excise tax on radio access lines must be collected from the subscriber by the radio communications service company, including those companies that resell radio access lines, providing the radio access line to the subscriber, and the seller of prepaid wireless telecommunications service.

(c) The state and county 911 excise taxes on interconnected voice over internet protocol service lines must be collected from the subscriber by the interconnected voice over internet protocol service company providing the interconnected voice over internet protocol service line to the subscriber.

(d) The amount of the tax must be stated separately on the billing statement which is sent to the subscriber.

(2) (a) The state and county 911 excise taxes imposed by this chapter must be collected from the consumer by the seller of a prepaid wireless telecommunications service for each retail transaction occurring in this state.

(b) The department must transfer all tax proceeds remitted by a seller under this subsection (2) as provided in RCW 82.14B.030 (2) and (6).

(c) The taxes required by this subsection to be collected by the seller must be separately stated in any sales invoice or instrument of sale provided to the consumer. [2022 c 203 § 22; 2013 2nd sp.s. c 8 § 103; 2010 1st sp.s. c 19 § 6; 2002 c 341 § 9; 1998 c 304 § 4; 1994 c 96 § 4; 1991 c 54 § 12; 1981 c 160 § 4.]

**Modernization of statewide 911 emergency communications system—
2022 c 203:** See note following RCW 38.52.010.

Findings—Intent—2013 2nd sp.s. c 8: "(1) The legislature finds that:

(a) The communications industry is undergoing rapid change due to technological advances and deregulation. The legislature further finds that an industry that began with the telephone now includes cable, wireless, and satellite communications, as well as the internet;

(b) Washington's tax system has not kept pace with this industry;

(c) There are a vast array of state taxes and other charges on communications services in Washington that were established for a far different technological, legal, and structural landscape than what exists today;

(d) Many taxes and fees remain targeted to a specific technology (e.g., telephone taxes or cable franchise fees), despite the blurring of distinctions between technologies that provide similar services (e.g., the telephone and internet telephony); and

(e) The convergence of formerly distinct communications technologies renders the existing tax structure difficult to justify in terms of economic efficiency or equity.

(2) It is the legislature's intent to address the vast disparity in tax policy for communications services in an effort to minimize the existing inequity, inefficiency, and administrative complexity while preserving revenue sufficiency.

(3) With respect to section 107 of this act, the legislature further finds that:

(a) The department of revenue has consistently interpreted the phrase "a residential class of telephone service" as it would have been understood when the residential telephone service exemption was enacted in 1983;

(b) In 1983, all telephone service was divided into separate "local" and "toll" services for "residential" and "business" classifications, as defined by regulatory tariffs filed with the utilities and transportation commission. As a result, the department of revenue has consistently restricted the residential telephone service exemption in RCW 82.08.0289 to nontoll telephone service provided under a residential customer regulatory tariff. This includes traditional landline telephone service but excludes cellular telephone service and voice over internet protocol telephone services, which are not subject to regulatory tariffs;

(c) The department of revenue's interpretation of the residential telephone service exemption has been upheld by the board of tax appeals but was rejected by the Thurston county superior court in a 2011 decision; and

(d) Further litigation would be costly and could result in the unintended expansion of the exemption to all telephone services that a carrier treats as residential, such as cellular and voice over internet protocol telephone services provided to nonbusiness customers, and to long-distance service provided to residential customers for a flat rate. This could result in extremely large and devastating revenue impacts for the state and local governments.

(4) The legislature intends section 107 of this act to clarify retroactively that, prior to this act, the residential telephone service exemption in RCW 82.08.0289 has always applied only to residential nontoll telephone service offered under a tariff filed with the utilities and transportation commission, consistent with the department of revenue's long-standing interpretation of the exemption." [2013 2nd sp.s. c 8 § 101.]

Effective dates—2013 2nd sp.s. c 8: "(1) Except as provided otherwise in this section, part I of this act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect August 1, 2013.

(2) Sections 102 through 106 of this act take effect January 1, 2014." [2013 2nd sp.s. c 8 § 301.]

Effective dates—2010 1st sp.s. c 19: See note following RCW 82.14B.010.

Severability—Effective date—2002 c 341: See notes following RCW 38.52.501.

Findings—Effective dates—1998 c 304: See notes following RCW 82.14B.020.

Finding—Intent—Effective dates—1994 c 96: See notes following RCW 82.14B.020.

Referral to electorate—1991 c 54: See note following RCW 38.52.030.